HOUSE BILL No. 1211

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DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-1.1-20.6-9.8.

Synopsis: Protected taxes and school corporations. Specifies that a school corporation may determine the allocation among its funds of property tax reductions resulting from the granting of property tax circuit breaker credits.

Effective: January 1, 2015 (retroactive).

Errington

January 13, 2015, read first time and referred to Committee on Ways and Means.

First Regular Session of the 119th General Assembly (2015)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type.~~
  Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.
  Conflict reconciliation: Text in a statute in *this style type* or *~~this style type~~* reconciles conflicts between statutes enacted by the 2014 Regular Session and 2014 Second Regular Technical Session of the General Assembly.

HOUSE BILL No. 1211

A BILL FOR AN ACT to amend the Indiana Code concerning education.

Be it enacted by the General Assembly of the State of Indiana:

1   SECTION 1. IC 6-1.1-20.6-9.8, AS AMENDED BY P.L.257-2013,
2 SECTION 29, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JANUARY 1, 2015 (RETROACTIVE)]: Sec. 9.8. (a) This section
4 applies to property taxes first due and payable after December 31,
5 2009.
6   (b) The following definitions apply throughout this section:
7   (1) "Debt service obligations of a political subdivision" refers to:
8   (A) the principal and interest payable during a calendar year
9   on bonds; and
10   (B) lease rental payments payable during a calendar year on
11   leases;
12   of a political subdivision payable from ad valorem property taxes.
13   (2) "Protected taxes" refers to the following:
14   (A) Property taxes that are exempted from the application of
15   a credit granted under section 7 or 7.5 of this chapter by

1	section 7(b), 7(c), 7.5(b), or 7.5(c) of this chapter or another
2	law.
3	(B) Property taxes imposed by a political subdivision to pay
4	for debt service obligations of a political subdivision that are
5	not exempted from the application of a credit granted under
6	section 7 or 7.5 of this chapter by section 7(b), 7(c), 7.5(b), or
7	7.5(c) of this chapter or any other law. Property taxes
8	described in this subsection are subject to the credit granted
9	under section 7 or 7.5 of this chapter by section 7(b), 7(c),
10	7.5(b), or 7.5(c) of this chapter regardless of their designation
11	as protected taxes.
12	(3) "Unprotected taxes" refers to property taxes that are not
13	protected taxes.
14	(c) Except as provided in subsection (e) for property taxes due and
15	payable in 2013, **with respect to school corporations,** the total
16	amount of revenue to be distributed to the fund for which the protected
17	taxes were imposed shall be determined as if no credit were granted
18	under section 7 or 7.5 of this chapter. The total amount of the loss in
19	revenue resulting from the granting of credits under section 7 or 7.5 of
20	this chapter must reduce only the amount of unprotected taxes
21	distributed to a fund using the following criteria:
22	(1) The reduction may be allocated in the amounts determined by
23	the political subdivision using a combination of unprotected taxes
24	of the political subdivision in those taxing districts in which the
25	credit caused a reduction in protected taxes.
26	(2) The tax revenue and each fund of any other political
27	subdivisions must not be affected by the reduction.
28	(d) When:
29	(1) the revenue that otherwise would be distributed to a fund
30	receiving only unprotected taxes is reduced entirely under
31	subsection (c) and the remaining revenue is insufficient for a fund
32	receiving protected taxes to receive the revenue specified by
33	subsection (c); or
34	(2) there is not a fund receiving only unprotected taxes from
35	which to distribute revenue;
36	the revenue distributed to the fund receiving protected taxes must also
37	be reduced. If the revenue distributed to a fund receiving protected
38	taxes is reduced, the political subdivision may transfer money from one
39	(1) or more of the other funds of the political subdivision to offset the
40	loss in revenue to the fund receiving protected taxes. The transfer is
41	limited to the amount necessary for the fund receiving protected taxes
42	to receive the revenue specified under subsection (c). The amount

1 transferred shall be specifically identified as a debt service obligation
2 transfer for each affected fund.
3 ~~(e) This subsection applies to property taxes due and payable in~~
4 ~~2013. The total amount of the loss in revenue resulting from the~~
5 ~~granting of credits under section 7 or 7.5 of this chapter must reduce~~
6 ~~the amount of protected and unprotected property taxes distributed to~~
7 ~~a fund in proportion to the property tax levy imposed for that fund~~
8 ~~relative to the total of all protected and unprotected property tax levies~~
9 ~~imposed by the political subdivision. The allocations shall be made~~
10 ~~after the political subdivision receives its distribution.~~
11 **(e) This subsection applies only to school corporations. A school**
12 **corporation that chooses to carry out an allocation under this**
13 **subsection must adopt a resolution certifying the allocation**
14 **amounts for the loss of revenue resulting from the granting of**
15 **credits under section 7 or 7.5 of this chapter. The loss of revenue**
16 **may be allocated among the school corporation's funds in the**
17 **amounts determined by the school corporation. The allocation**
18 **amounts must be made after the school corporation receives its**
19 **distribution. The tax revenue and each fund of any other political**
20 **subdivision must not be affected by the allocation of the loss of**
21 **revenue.**
22 SECTION 2. **An emergency is declared for this act.**